



March 17, 2025

The Honorable French Hill, Chair  
The Honorable Maxine Waters, Ranking Member  
U.S. House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Re: Statement for the record, Hearing on “Updating America’s Financial Privacy Framework for the 21st Century”

Dear Chair Hill and Ranking Member Waters:

Please accept this statement for the record for the March 17, 2026 full Committee hearing on “Updating America’s Financial Privacy Framework for the 21st Century.” On behalf of our low-income clients, the National Consumer Law Center<sup>1</sup> urges the Committee and Congress to:

1. Update and strengthen the Gramm-Leach-Bliley Act (GLBA), including adopting an opt-in regime for the sharing of financial information and providing for stronger enforcement, but not at the cost of preempting stronger state privacy laws.
2. Push back against the Trump Administration’s lawless abuse of our confidential, sensitive personal data. Congress should hold hearings, undertake investigations, and demand that sensitive data not be harvested or abuses. It should also restore the Consumer Financial Protection Bureau (CFPB) to its original funding levels as set forth in the Dodd-Frank Act.
3. Support the current Personal Financial Data Rights rule issued in November 2024, urge the CFPB to retain its important consumer protections, and conduct a hearing on open

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<sup>1</sup> Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people in the United States. NCLC’s expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.

banking and consumer-authorized data sharing under Section 1033 of the Dodd-Frank Act.

4. Adopt reforms to rein in the abuses of the Big Three credit bureaus, similar to the Comprehensive CREDIT Act passed by the House of Representatives in January 2020, and authorize the creation of a public credit registry, so that consumers have an alternative to the oligopoly of the Big Three credit bureaus.

## **1. The Gramm-Leach-Bliley Act needs to be modernized, but not at the expense of preempting stronger state laws**

The GLBA is an outdated law that relies on a confusing, cumbersome system and does little to protect the privacy of consumers. It is the weakest of privacy regimes, merely requiring financial institutions to provide their customers with privacy notices and to allow their customers to opt out of certain types of third-party data sharing.

State versions of the GLBA, such as the California Financial Information Privacy Act, require an opt in mechanism, not opt out, for sharing data with nonaffiliated third parties.<sup>2</sup> We urge the Committee to amend the GLBA to adopt the same type of opt in regime for third party data sharing. Similar opt-in rules were included in the American Data Privacy and Protection Act (“ADPPA”) that was sponsored by Democratic and Republican leaders in the 117th Congress, as well as the bipartisan American Privacy Rights Act in the 118th Congress.<sup>3</sup>

We are disappointed to see that the discussion draft posted for this hearing maintains the GLBA’s current flawed approach of only permitting the consumer to opt out of data sharing.<sup>4</sup> Financial data is deeply sensitive and important information, and Congress must ensure that financial privacy laws provide consumers with adequate control over their own information.

The GLBA should also be updated to include a strong data minimization rule that requires financial institutions to limit the collection, use, transfer, and retention of personal information to what is necessary to provide the product or service the consumer has requested. We appreciate that the discussion draft has a data minimization requirement in Section 102; however, it incorporates the exception at 15 U.S.C. § 6802(b)(2) for marketing by the financial institution, including jointly with third parties, which is too broad.

Unlike state privacy laws, the GLBA currently does not provide the fundamental rights to access, correct, and delete personal information.<sup>5</sup> We appreciate that the discussion draft includes a right

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<sup>2</sup> Cal. Fin. Code §§ 4050 to 4060.

<sup>3</sup> American Data Privacy and Protection Act (ADPPA), H.R. 8152, 117th Cong. Title I (2022), <https://www.congress.gov/bill/117th-congress/house-bill/8152/text>; American Privacy Rights Act, H.R. 8188, 118th Cong. § 102 (2024), <https://www.congress.gov/bill/118th-congress/house-bill/8818/text>.

<sup>4</sup> Available at <https://docs.house.gov/meetings/BA/BA00/20260317/119049/BILLS-119pih-makesimprovementsToTitleVoftheGLBA.pdf>.

<sup>5</sup> Caroline Kraczon and Justin Sherman, Electronic Privacy Information Center, Unbridled and Underregulated: Removing FCRA and GLBA Exemptions from Privacy Laws to Hold Data Brokers

to access and a limited right of deletion; however, it does not include a right of correction. Consumers should have the right to have errors in their data fixed.

A fatal flaw of the discussion draft is Section 301, which sets forth a preemption provision that will invalidate stronger state laws. We oppose any update to the GLBA that preempts state laws, including data privacy and consumer protection laws. Amending the GLBA to preempt state laws would be tremendously harmful and dangerous because the scope of the GLBA is so broad. The definition of “financial institution” in the GLBA is not limited to banks, credit unions, or other depository institutions, but instead covers a gamut of businesses, such as credit bureaus and other “consumer reporting agencies,” debt collectors, auto dealers, travel agents, check cashers, tax preparers, and many other businesses.<sup>6</sup>

Thus, adopting a provision that the GLBA preempts stronger state laws regulating “financial institutions” could: (a) annul state laws in over half of the states that govern credit reports, and in some cases, other types of consumer reports; (b) prevent states and localities from regulating tenant screening reports, which are consumer reports, in order to protect tenants and address the rental housing crisis; and (c) nullify recently enacted state laws prohibiting medical debt on credit reports, which advance the common-sense idea that people should not be denied loans, insurance, or jobs just because they got sick. Congress recognized the importance of state law regulation of new technologies when it removed a provision preempting state laws that would protect consumers with regards to artificial intelligence,<sup>7</sup> and we urge the same recognition with financial privacy.

Finally, the GLBA lacks private enforceability, which any bill amending the Act should address. This lack of private enforceability renders the GLBA of little practical value to those who seek to limit, or even monitor, the use of their own personal data.

For a more detailed discussion, please see the following two sets of comments, which are incorporated herein by reference:

- Comments of 45 Consumer, Economic Justice, Privacy, and Advocacy Groups in Response to House Financial Services Committee Request for Feedback on Current Federal Consumer Financial Data Privacy Law and Potential Legislative Proposal, Aug. 27, 2025.<sup>8</sup>

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Accountable, July 2025, <https://epic.org/documents/unbridled-and-underregulated-removing-fcra-and-glba-exemptions-from-privacy-laws-to-hold-data-brokers-accountable/>.

<sup>6</sup> 12 C.F.R. § 1016.3(l)(3). *See generally*, National Consumer Law Center, Fair Credit Reporting (10th ed. 2022) § 18.4.1.3, updated at [www.nclc.org/library](http://www.nclc.org/library).

<sup>7</sup> Associated Press, Senate pulls AI regulatory ban from GOP bill after complaints from states, PBS, July 1, 2025 <https://www.pbs.org/newshour/politics/senate-pulls-ai-regulatory-ban-from-gop-bill-after-complaints-from-states>.

<sup>8</sup> Available at <https://www.nclc.org/resources/coalition-letter-to-house-financial-services-modernize-gramm-leach-bliley-but-do-not-nullify-state-consumer-protections/>.

- EPIC-NCLC Comments in Response to House Financial Services Committee Request for Feedback on Current Federal Consumer Financial Data Privacy Law and Potential Legislative Proposal, Aug. 27, 2025.<sup>9</sup>

## **2. Congress Must Address the Trump Administration’s Overreaching Data Privacy Abuses**

Instead of improving or safeguarding consumer data privacy, the Trump Administration and its so-called Department of Government Efficiency (DOGE) have committed one abuse after another by accessing and exploiting sensitive and private information in databases across the federal government.<sup>10</sup> Congress must take whatever steps it can to rein in this unchecked and unwarranted invasion of our personal data.

DOGE has inappropriately harvested confidential information from the databases of the CFPB, the Internal Revenue Service, the Social Security Administration, and many other agencies.<sup>11</sup> In one case, DOGE deliberately vandalized a government database by fraudulently labeling living individuals as “deceased” in the Social Security Death Master File.<sup>12</sup> The Trump Administration and DOGE appeared to have potentially violated multiple laws in their data incursions, including possibly the Privacy Act, the Internal Revenue Code, and the Fair Credit Reporting Act (FCRA). This data is being used for questionable and frightening purposes, such as mass surveillance and indiscriminate immigration enforcement. The Administration’s recklessness is not only a massive invasion of our privacy, it also exposes this information to potential breach by potential fraudsters and other malevolent actors.<sup>13</sup>

In the last two months alone, the Administration latest privacy outrages include:

- A proposal by the U.S. Department of Treasury to maintain an extensive database of private personal information, including bank account information, Social Security numbers, and employment and income information, from eight separate Treasury-run programs that assist small businesses, homeowners and renters. The Treasury

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<sup>9</sup> Available at <https://www.nclc.org/resources/epic-nclc-comments-to-house-financial-services-committee-on-financial-data-privacy/>.

<sup>10</sup> Electronic Privacy Information Center, EPIC’s Fight Against the Administration’s Privacy Abuses <https://epic.org/issues/democracy-free-speech/fighting-federal-data-abuses/> (visited March 1, 2026).

<sup>11</sup> *Id.*

<sup>12</sup> Hannah Natanson, Lisa Rein and Meryl Kornfield, Trump administration overrode Social Security staff to list immigrants as dead, Washington Post, April 25, 2025, <https://www.washingtonpost.com/politics/2025/04/12/trump-immigrants-dead-social-security/>.

<sup>13</sup> *See, e.g.*, Whistleblower claims ex-DOGE member says he took Social Security data to new job, Washington Post, Mar. 10, 2026, <https://www.washingtonpost.com/politics/2026/03/10/social-security-data-breach-doge/> (allegations that former DOGE staffer stole sensitive Social Security data by copying onto flash drive).

Department has proposed providing an alarming large number of entities with permission to access the material through “routine use.”<sup>14</sup>

- A potential Executive Order that would require banks gather citizenship data, possibly in anticipation of a move to exclude non-citizens from the U.S. banking system.<sup>15</sup> Such a move to “debank” immigrants would be ironic in that the President himself has issued an executive order<sup>16</sup> and sued a large bank over alleged debanking.<sup>17</sup> Requiring U.S. citizenship to hold a U.S. bank account would exclude millions from the banking system,<sup>18</sup> costing financial institutions potentially billions in lost revenue.

Finally, the Trump Administration has also harmed data privacy by attempting to gut the CFPB, which is the primary enforcer of the GBLA’s privacy provisions and other privacy laws, such as the FCRA. Without a cop on the beat to stop privacy violations by banks, debt collectors, credit bureaus and other large corporations, the privacy of American consumers is in great peril.

Congress must act to stop the Trump Administration and DOGE’s lawless abuse of our confidential, sensitive personal data. It should hold hearings, undertake investigations, and demand that sensitive data not be harvested or abuses. And it should restore the CFPB to its original funding levels as set forth in the Dodd-Frank Act.

### **3. Congress Should Support a Strong Personal Financial Data Rights Rule Pursuant to Section 1033 of the Dodd-Frank Act**

In November 2024, the CFPB issued the Personal Financial Data Rights pursuant to Section 1033 of the Dodd-Frank Act, a provision that gives consumers the right to access and authorize sharing of their own data from financial services account. 12 C.F.R. §§ 1033.411 and 1033.421 (issued pursuant to 12 U.S.C. § 5033). This Personal Financial Data rule was strong, thoughtful, and among the best-in-class for data privacy safeguards. The protections of the rule included:

- Prohibition against secondary use so that data shared by a consumer for one specific purpose is not used by a business for a second purpose that the consumer did not agree to.

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<sup>14</sup> See Coalition Comments to the Dept of Treasury Regarding Privacy Act; Systems of Records, March 6, 2026, <https://www.nclc.org/resources/letter-to-treasury-regarding-the-privacy-act-systems-of-records-notice-sorn/>.

<sup>15</sup> Jason Lalljee, Trump considers citizenship checks for bank accounts, Axios, Feb. 24, 2026, <https://www.axios.com/2026/02/24/trump-banks-immigrants-citizenship-requirements>,

<sup>16</sup> White House, Guaranteeing Fair Banking for All Americans, Aug. 7, 2025, <https://www.whitehouse.gov/presidential-actions/2025/08/guaranteeing-fair-banking-for-all-americans/>.

<sup>17</sup> Maria Aspan, Trump sues JPMorgan Chase and CEO Jamie Dimon for \$5B over alleged 'debanking', National Public Radio, Jan. 22, 2026, <https://www.npr.org/2026/01/22/nx-s1-5685151/trump-jpmorgan-chase-jamie-dimon-debanking>.

<sup>18</sup> There are nearly 52 million immigrants in the U.S. Stephanie Kramer and Jeffrey S. Passel, Pew Research Centre, Aug. 21, 2025, What the data says about immigrants in the U.S <https://www.pewresearch.org/short-reads/2025/08/21/key-findings-about-us-immigrants/>.

- One-year limit on a consumer’s authorization to share data, so private financial account data cannot be accessed for years and years after the consumer initially granted authorization.
- Clear, conspicuous, segregated disclosures to prevent businesses from burying tiny fine print authorizations in clickwrap consents.
- A requirement that businesses must honor the consumer’s revocation of an authorization and delete data after the revocation.
- Businesses can only access the data is reasonably necessary for the used authorized by the consumer, *i.e.*, data minimization.

This rule should be serving as a model for privacy regimes across the country. Instead, the Trump Administration CFPB has begun the process of revising the rule as a result of a lawsuit filed by the banking industry.

We ask the Committee to express support of the originally issued Personal Financial Data Rights rule, to urge the CFPB to retain its important consumer protections, and to conduct a hearing on open banking and consumer-authorized data sharing under Section 1033. For more details, please see the letter sent by 26 consumer and economic justice groups, which is incorporated herein by reference:

- Statement in support of the Consumer Financial Protection Bureau’s Personal Financial Data Rights Rule, Aug. 19, 2025.<sup>19</sup>

#### **4. Congress Should Strengthen the Regulation of Credit Bureaus and Establish a Public Credit Reporting Option**

Passed in 1970, the Fair Credit Reporting Act (FCRA) was this nation’s first federal privacy law. Given the massive scale of problems with the Big Three credit bureaus (Equifax, Experian, and TransUnion), we urge Congress to update and strengthen the FCRA.

The Big Three credit bureaus are the most complained about financial services industry by far, with almost 5 million complaints filed against them with the CFPB.<sup>20</sup> But instead of trying to address their serious and systemic problems, the credit bureaus are demanding that the CFPB institute barriers to throttle the massive volume of complaints against them.<sup>21</sup> The Trump Administration CFPB has already acquiesced to one of the demands by adding three menacing webpages to the Bureau’s complaint portal warning consumers that they must first send a dispute

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<sup>19</sup> Available at [https://www.nclc.org/wp-content/uploads/2025/08/2025.08.19\\_Letter\\_Coalition-Letter-to-Congress-supporting-the-CFPB-Personal-Financial-Data-Rights-Rule-and-Asking-for-Hearing.pdf](https://www.nclc.org/wp-content/uploads/2025/08/2025.08.19_Letter_Coalition-Letter-to-Congress-supporting-the-CFPB-Personal-Financial-Data-Rights-Rule-and-Asking-for-Hearing.pdf).

<sup>20</sup> The CFPB complaint database shows 4,958,228 complaints concerning “credit reporting or other personal consumer reports” from January 1, 2025 to December 31, 2025.

<sup>21</sup> Consumer Data Industry Association, Comments Regarding Consumer Response Intake Form, Docket No. CFPB-2025-0042, OMB Control Number 3170-0011, Jan. 27, 2026, <https://www.regulations.gov/comment/CFPB-2025-0042-0003>

to the credit bureaus before filing a complaint.<sup>22</sup> Not only are these webpages inappropriately threatening, they mis-state the law and discourage legitimate complaints against the credit bureaus, which perhaps is the intended result.<sup>23</sup>

We urge Congress to adopt reforms to rein in the abuses of the Big Three credit bureaus. Indeed, the House of Representatives passed a comprehensive and strong FCRA reform bill back in January 2020, the Comprehensive CREDIT (Credit Reporting Enhancement, Disclosure, Innovation, and Transparency) Act.<sup>24</sup> We also urge Congress to authorize the creation of a public credit registry, so that consumers have an alternative to the oligopoly of the Big Three credit bureaus.<sup>25</sup>

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Thank you for the opportunity to submit this statement for the record.

Yours truly,



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<sup>22</sup> See National Consumer Law Center, Comments to the CFPB Opposing Changes to the Complaint Portal That Discourage Credit Reporting Complaints, March 2, 2026, <https://www.nclc.org/resources/comments-opposing-changes-to-the-cfpb-complaint-portal-that-discourage-credit-reporting-complaints/>.

<sup>23</sup> *Id.*

<sup>24</sup> H.R. 3621 (116th Cong.), available at <https://www.congress.gov/bill/116th-congress/house-bill/3621>.

<sup>25</sup> For more on this idea, see A Biased, Broken System: Examining Proposals to Overhaul Credit Reporting to Achieve Equity: Hearing Before the H. Comm. on Fin. Servs. 117th Cong. (2021) (statements of Amy Traub, Demos and Chi Chi Wu, National Consumer Law Centre), <https://www.govinfo.gov/content/pkg/CHRG-117hhrg45358/html/CHRG-117hhrg45358.htm>; Amy Traub, Demos, Establish a Public Credit Registry, 2019 <https://www.demos.org/policy-briefs/establish-public-credit-registry>.